



Retail Energy Supply Association

CONNECTICUT GENERAL ASSEMBLY

ENERGY & TECHNOLOGY COMMITTEE

H.B. 5365 – AN ACT CONCERNING ELECTRIC DISTRIBUTION COMPANIES

H.B. 5362 – AN ACT CONCERNING RENEWABLE ENERGY

PUBLIC HEARINGS – MARCH 4, 2010

TESTIMONY

OF

BECKY L. MEROLA

ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION

AND

SEMPRA ENERGY SOLUTIONS,LLC.

Good afternoon. My name is Becky Merola and I am speaking on behalf of RESA and Sempra Energy Solutions, LLC ("SES"). Sempra Energy Solutions is a subsidiary of RBS Sempra Commodities LLP. RBS Sempra Commodities is a joint venture between the Royal Bank of Scotland and Sempra Energy. Sempra Energy alone is a Fortune 500 Energy Services Co that has 13,800 employees , operates 3 utilities in the USA, owns generation, gas pipelines and storage as well as provides

energy related products and services to over 29 million consumers. RBS is the second largest financial service group by profit amongst its peers in the world. Both RBS and Sempra Energy have facilities including trading floors in Stamford CT. Sempra Energy is a licensed retail supplier of electricity to Industrial and Commercial customers in the State of CT. RESA is the Retail Energy Supply Association which is a trade association that represents the interests of its 14 member companies in regulatory and legislative proceedings in the New England, New York, Mid-Atlantic and Midwest regions¹. RESA's members include providers of competitive supply products to electricity and gas consumers .

RESA and SES submits this testimony in opposition of :

- **Section 6 of H.B. 5365 (elimination of utility consolidated billing),**
- **Section 2 of H.B. 5365, Section 6 of H.B. 5362 (permitting electric distribution company construction or ownership of in-state generation including solar generation) and Section 3 of H.B. 5362 (long-term contract procurement for solar generation)**

The aforementioned sections of House Bills 5365, and 5362 will substantially harm Connecticut consumers by eliminating participation in the market by retail electric suppliers thereby impacting the ability of customers to leverage the benefits of competition that provides them access to cost controls and innovation tailored to meet their individual needs.

¹ RESA's members include ConEd Solutions; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Gexa Energy; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; PPL EnergyPlus; and Sempra Energy Solutions LLC. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

Section 6 of HB 5365 eliminates utility consolidated billing for residential and small commercial customers. It has been our experience that the smaller customers prefer this method of receiving one invoice and to take this option away would in effect create an enormous barrier to entry into the competitive market for the smaller customers.

Section 2 of H.B. 5365 and Section 6 of H.B. 5362 permits electric distribution company construction or ownership of in-state generation, including solar generation, and Section 3 of H.B. 5362 allows long-term contract procurement for solar generation. As written, this bill shifts both costs and risks from investors in generation on to the backs of ratepayers. At a time of economic downturn allocating the costs of new utility generating plants and mandating the use of long-term contracts will unfairly add costs to Connecticut's ratepayers when they can least afford it.

Subsidizing utility generation by removing risk will chase competitors from the CT market. Removing the ability of businesses to leverage customer choice to obtain prices for electricity with contractual terms that are individually designed to fit specific business operations will not only result in higher costs but also prevent reinvestment and jobs by both the business community and the companies that provide the retail electric products and services.

Almost 50% of Connecticut's electric load is served by competitive retail suppliers. If the benefits of choice were not appreciable customers and businesses that provide jobs and investment to the state, would not have switched.

The sections of H.B. 5365 and 5362 that I have mentioned will cause harm to a competitive market for electricity that continues to grow. RESA and Sempra Energy Solutions asks the Committee to remove these provisions.

Thank you.